

NEWS

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Military Insignia Supplier Agrees to Pay Government More Than
\$250,000 For Defective and Non-Conforming Items

(More)

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NEWARK – Hilborn Hamburger, Inc., a Passaic, N.J. company that operates as a military insignia supplier, has agreed to pay the federal government more than \$251,000 to settle allegations that it submitted false claims to the United States for defective and non-conforming military insignia items, U.S. Attorney Christopher J. Christie announced today.

The settlement, approved by U.S. District Judge Joel A. Pisano on Wednesday, resolves allegations against Hilborn Hamburger for violations of the False Claims Act, which permits recovery of triple the amount of damages to the government plus penalties, according to Assistant U.S. Attorney Rudolph A. Filko, Deputy Chief of the Civil Division of the U.S. Attorney's Office.

Hilborn Hamburger has been a supplier of military insignia to all branches of the U.S. Armed Forces since its founding in 1926. The company supplies metal and non-metal military insignia, including medals, decoration sets, qualification badges, rank insignia and unit insignia. Between about 1999 and the present, Hilborn Hamburger has sold more than \$12 million worth of insignia items to the military services.

The settlement agreement released today resolves allegations against Hilborn Hamburger that were filed in a federal lawsuit brought in May 2004 by “relator,” Ira Green, Inc. of Providence, R.I., a competing insignia supplier, and a “whistle blower” under the False Claims Act. The Act permits private citizens or companies to bring lawsuits on behalf of the United States. The relator will receive \$47,708 from the proceeds of the settlement.

“This was just plain dishonest and deceptive,” said Christie. “The men and woman of our armed services who earn the honor to wear these insignia deserved better.”

According to the Settlement Agreement, between 1999 and 2006, Hilborn submitted false claims for payment for various defective and non-conforming military insignia items that were sold by Hilborn Hamburger to the Navy Exchange Service Command which provides retail services to the U.S. Department of the Navy. The United States alleged that the military insignia sold by Hilborn Hamburger was defective because they did not conform to relevant military specifications and requirements for each product.

The government alleged, for example, that instead of using brass in medals the company substituted zinc or white metal made to look like solid brass. The company also used non-certified sources for poly/cotton white poplin military insignia. Instead of using the only military-certified source of materials for those items, Hilborn Hamburger used non-certified materials from foreign countries and falsely claimed that certified materials were used. The substituted metal and non-metal materials were less expensive and less durable; yet Hilborn Hamburger charged the government as if the items were made with high-quality, certified materials.

Under terms of the settlement, Hilborn Hamburger disputes the allegations and does not admit liability.

Christie credited Special Agents from the U.S. Naval Criminal Investigative Service, the U.S. Army Criminal Investigative Service, and auditors from the U.S. Attorney's Office Affirmative Civil Enforcement Unit, with investigating the case.

The case was handled by Assistant U. S. Attorney Rudolph A. Filko, Deputy Chief of the Civil Division.

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Counsel for Hilborn Hamburger, Inc.: Jonathan L. Goldstein, Esq., Newark, N.J.
Counsel for Ira Green, Inc.: Thomas W. Halm, Esq., Florham Park, N.J.